2020 HOUSTON IT
COMPENSATION REPORT

Building Great IT
Departments since 1981

JDA PROFESSIONAL SERVICES, INC.
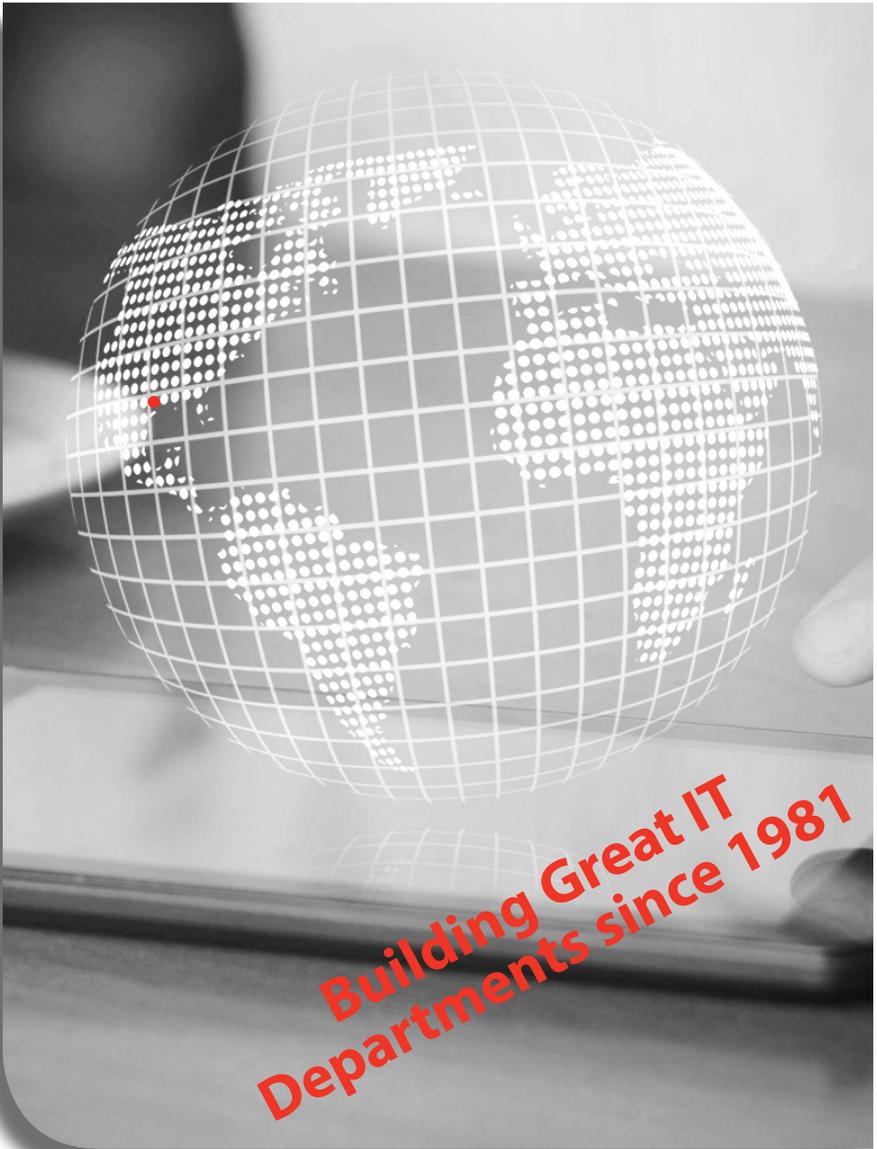
Information Technology Staffing Specialists Since 1981

OVERVIEW

Houston IT Hiring Trends: Good News

Good News for Houston

It seems like yesterday when we were passing through Y2K, the boom in technology, and hiring as a result. As it turns out 2019 had a lot of similarities to 1999 with a robust economy, low unemployment, demand for technical skills exceeding supply, and compensation on the rise. Our latest Hiring Trends report indicates that 2020 is going to be just as strong for hiring as 2019, and compensation will increase above normal averages for most positions. Close to 50 percent of respondents to our survey of CIO's, VP's, and Directors of IT anticipate a net gain to their staff this year, primarily in full-time positions. It is no surprise that the main areas of new hiring will be in cybersecurity and business intelligence/data analytics followed by cloud computing and software development. As we move to a more comprehensive compensation model, close to 50 percent of the respondents are anticipating a 3-6 percent increase in base salaries, and 74 percent will be paying bonuses with close to 60 percent of them in the 10-20 percent range. This combined total is the largest we have seen since we started our compensation report over 25 years ago.

Other areas of interest are the work/life balance incentives with 65 percent of respondents offering telecommuting, ranging from virtual to a couple of days per month and offering flex start times. Surprisingly flex scheduling came in close to 40 percent with either 9/80, 4/10, or half days on Fridays. We have found that this is a great strategy to attract or retain talent. This is also at the top of the list of job seekers and is a challenge when moving someone who has it. Note, however, that only 20 percent of respondents have a formal retention plan, and are proactively moving to minimize turnover and retain their top talent.

There are other influences that could impact hiring and compensation in 2020. The latest recovery in the energy sector has ranged from slow to non-existent and is strained with over-supply, flat prices, and high debt. We anticipate more consolidations, bankruptcies, off-shoring, and lay-offs. With most of Houston's anchor companies still energy-related, this could trickle into other sectors. As more companies are moving to cloud solutions and out-of-the box software, the demand for certain skill sets such as project managers, business analysts, ERP specialists, and infrastructure support analysts will continue to be flat or even shrink.

With full employment and 50 percent of companies adding to their staff this year, there will continue to be churn in the market. We are also seeing an aging population combined with a great stock market, and a fair number of people retiring or moving out of Houston. Younger workers are taking advantage of this robust market to increase their skills and compensation by changing companies. Most of our clients have informed us that they will be able to replace turnover, and this could be an opportunity to do a skills upgrade or provide promotional opportunities for existing staff. Smaller and mid-size non-energy businesses with strong balance sheets are ramping up to take advantage of a strong national economy. New businesses are starting up and others are moving into our city. With an abundance of office space at competitive rates and a business-friendly climate, Houston has become a very attractive place in which to relocate. The downside is the traffic/commute times, which is one of the top 3 reasons for turnover.

In our tight labor market, the quantity of local, qualified candidates has decreased, competition is tight, and the most qualified candidates are receiving multiple offers and strong counteroffers. Some companies are willing to train again to develop their resources instead of having an open requisition for many months.

Another trend we see with candidates that are in demand is that they know it, resulting in responses to job postings being a fraction of what they were in the past. Candidates are also getting bombarded by LinkedIn requests from corporate, local, national, and international recruiters, meaning that reaching good people has now become a greater challenge. Most of the people we are placing are from our vast network and have to be directly recruited. Interestingly, they don't stay on the market long, once started in their job search.

Conclusion

The market sets the price. In a competitive market where highly skilled people can make a huge difference to the bottom line and as IT moves from being a service group to more of an integral part of the business, the value of technology is key to organizational success. New technology that is client-facing, business intelligence, analytics, A/I, and other operational systems are having an impact on reducing cost and increasing revenue. The demands on the talent pool will continue to increase and drive up compensation. With competition being national, we are seeing compensation set by the market, and for new hires an increase in the 10-30 percent range with additional perks and benefits is not uncommon. Finding these skills is becoming more difficult and will cost more. The good news is that the return on investment can be multiples of compensation.

We advise our clients to consider the cost of retention versus the cost of turnover, as existing staff is valuable. In addition to compensation, a good retention strategy could include lower cost options such as working from home, increased free time and flexibility, new projects, training, and expressing appreciation for employee efforts and loyalty. An accommodating work environment can make a huge difference in employee retention.

With the increase in hiring, there are a lot of new entries in the recruiting business locally, nationally, and internationally. If you are hiring, choose an established local resource that knows the market, city, and has the resources to find the right people. Choose JDA: we will take good care of you and get the job done.

How JDA Can Help

Since 1981 JDA has been helping Houston companies build great IT departments. An active recruiter of IT professionals in Houston, JDA is a resource to identify and recruit the passive job seeker either on a full-time or contract basis.

For more information on how we can help you develop a great career, send a resume to jda@jdapsi.com.

We're optimistic about the future. We look forward to working with you.

About the Report

The information presented above was compiled from our annual IT leadership survey of Houston-area VPs of IT, CIOs, and IT Directors, and a survey conducted from our employed candidate pool. Compensation numbers are based on current base salaries and exclude bonuses.

MANAGEMENT

Executive-level leadership is evolving into distinct camps. In one camp, the tactical "run and maintain leader" drives for operational excellence, cost reduction, and increased efficiency; on the other side is the true visionary and innovator who will leverage disruptive technology in order to drive an increased value-based model. The "visionary and innovator" who can drive system improvements, data management, analytics, security, and change will become a more sought-after asset to the business.

Trends show that a significant portion of IT leadership's compensation is related to performance-based bonuses and incentives ranging from 0–100 percent with the majority paying out in the range of 20-30 percent. These incentive-based compensation packages are used to attract and retain executive-level talent by companies recognizing that the risk-reward model is attractive to top performers.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
CIO - Large Company [1 7 10 11]	$207 K	$300 K	$443 K	$134	$195	$288
CIO - Mid-Size/Large Company [2 7 10 11]	$192 K	$225 K	$369 K	$125	$146	$239
CIO - Mid-Size Company [3 7 10 11]	$165 K	$205 K	$370 K	$107	$133	$240
CIO - Small Company [4 7 10 11]	$136 K	$182 K	$287 K	$89	$118	$186
CTO [1 10]	$155 K	$207 K	$250 K	$101	$134	$163
IT Director - Large Company [1 7 10 11]	$148 K	$190 K	$299 K	$96	$123	$194
IT Director - Mid-Size Company [2 3 7 10 11]	$137 K	$187 K	$252 K	$89	$122	$163
IT Director - Small Company [4 7 10 11]	$100 K	$140 K	$190 K	$65	$91	$124
CISO - Chief Information Security Officer	$157 K	$196 K	$247 K	$102	$127	$161
Security Manager/Director	$125 K	$160 K	$207 K	$81	$104	$134
IT Audit Manager/Director [8]	$136 K	$167 K	$198 K	$88	$108	$128
Business Applications Manager - Large Company [1 11]	$159 K	$194 K	$226 K	$103	$126	$147
Business Applications Manager - Mid-Size Company [2 3 11]	$147 K	$163 K	$198 K	$95	$106	$129
Data Center Manager [1 11]	$131 K	$153 K	$187 K	$85	$99	$121
Infrastructure Manager - Large Company [1 11]	$153 K	$183 K	$221 K	$100	$119	$143
Infrastructure Manager - Mid-Size Company [2 3 11]	$125 K	$165 K	$196 K	$81	$107	$127
Service Desk Manager - ITIL [11]	$113 K	$142 K	$169 K	$74	$92	$110
Help Desk Manager [11]	$89 K	$113 K	$147 K	$58	$73	$95
PMO Manager - with PMP [1 2 3 11]	$136 K	$156 K	$190 K	$88	$101	$124
Project Manager - with PMP [1 2 3 11]	$103 K	$140 K	$173 K	$67	$91	$112

SECURITY AND AUDIT

As in the past few years, CEOs and CIOs express security as their top priority. With the constant threat of a breach, technology is moving from the traditional data center into a cloud environment. This, along with an increase in governmental regulations, has led to an increase in demand for skilled professionals and new products. With experienced security professionals so highly sought-after, salaries are expected to continue to increase significantly.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Security Architect/Engineer [5]	$120 K	$152 K	$185 K	$78	$99	$120
Security Administrator [5]	$81 K	$130 K	$157 K	$53	$85	$102
Security INFOSEC - Compliance [5]	$92 K	$116 K	$141 K	$60	$75	$91
IT/IS Auditor To Lead	$85 K	$120 K	$161 K	$55	$78	$105
Security - Dev/OPS	$115 K	$173 K	$190 K	$75	$112	$123

BUSINESS INTELLIGENCE, ANALYTICS, AND DATA WAREHOUSING

As companies began leveraging the vast amount of data (big data) captured over the last twenty years, business intelligence, analytics, A/I, machine learning, and data warehousing have increasingly become among the hottest sectors in the market. The marginal increase in executive reporting, customer service, sales, and product management led to a projected budget increase for 2020. Due to the expansiveness in cost savings initiatives, demand for these individuals with a strong business foundation consistently increases year after year.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Senior Data Warehousing Specialist B/I [5]	$124 K	$153 K	$175 K	$81	$99	$114
Data Warehousing Specialist B/I [5]	$94 K	$138 K	$156 K	$61	$90	$101
ETL Developer	$110 K	$132 K	$168 K	$71	$85	$109
DBA - Senior [11]	$119 K	$154 K	$178 K	$77	$100	$116
DBA - Junior [11]	$91 K	$112 K	$126 K	$59	$72	$82
Oracle Developer - RICE/PL/SQL (4+ Years)	$99 K	$133 K	$161 K	$64	$86	$105
Data Analyst	$93 K	$124 K	$148 K	$60	$81	$96
Report Writer	$71 K	$93 K	$116 K	$46	$60	$75
Techno/Functional Analyst	$101 K	$129 K	$163 K	$66	$84	$106

ERP

The ERP market is projected to continue to be in a slump. Given the high cost of ERP implementations and upgrades, those projects are being deferred and replaced by cloud solutions using out-of-the-box set-ups. We are seeing that fewer people are required to cover more modules, creating opportunities to cross-train. This in part will lead to an increase in the hiring of techno/functional specialists and the use of outsourced resources. Integrators typically use off-shore resources to pick up most of the technical heavy-lifting for these projects, leaving more of the business process-focused functions to the internal staff.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Oracle Developer - PL/SQL Database Focused	$95 K	$129 K	$163 K	$62	$84	$106
Oracle - Techno/Functional Analyst [11]	$108 K	$140 K	$173 K	$70	$91	$112
Oracle - SME - Functional Analyst [11]	$108 K	$136 K	$163 K	$70	$88	$106
PeopleSoft Developer - PeopleTools [11]	$89 K	$117 K	$143 K	$58	$76	$93
PeopleSoft - SME - Functional Analyst [11]	$110 K	$130 K	$161 K	$71	$85	$105
SAP - Developer ABAP [11]	$108 K	$139 K	$161 K	$70	$90	$105
SAP - Techno/Functional Analyst [11]	$125 K	$152 K	$187 K	$81	$99	$121
SAP - SME - Functional Analyst [11]	$111 K	$144 K	$184 K	$72	$94	$120
ERP Administrator [5]	$88 K	$113 K	$139 K	$57	$73	$90

WEB DEVELOPMENT

Web applications have increasingly become more focused on user accessibility with easy-to-use interfaces for multi-device functionality. Companies are also working closely with back-end developers to maintain their brands through search engine optimization. Demand for web developers has consistently increased over the years, leading to appropriate increases in compensation.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Developer - PHP, ASP, Flash, HTML	$67 K	$88 K	$117 K	$43	$57	$76
Graphics/Web Designer - Adobe Photoshop	$51 K	$70 K	$93 K	$33	$46	$60
Interactive Marketing/Search Engine Optimization/Social Media	$77 K	$109 K	$155 K	$50	$71	$101

APPLICATIONS

With the push to get more done with less, the demand for efficient and effective non-ERP systems has created a strong demand in this area. The demand for in-house custom apps developers has increased due to the lack of quality products produced by off-shore teams. As a result, we are seeing full employment for Microsoft, mobile apps, and Java full-stack developers. This spike in demand has led to one of the sharpest increases in both employment and salaries.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Project/ Team Leader - Applications [1 2 3 11]	$95 K	$130 K	$176 K	$62	$84	$114
Enterprise/Applications Architect	$117 K	$159 K	$191 K	$76	$103	$124
Senior Developer/Team Lead [5]	$116 K	$160 K	$174 K	$75	$104	$113
Systems/Business Analyst [11]	$87 K	$120 K	$152 K	$56	$78	$99
SharePoint Developer (4-10 Years)	$103 K	$127 K	$152 K	$67	$82	$99
Developer - .NET (4-10 Years) [5]	$101 K	$138 K	$166 K	$66	$90	$108
Developer - JAVA (4-10 Years) [5]	$91 K	$119 K	$157 K	$59	$77	$102
Developer - C++	$91 K	$129 K	$153 K	$59	$84	$100
Developer - Client Server (3+ Years)	$79 K	$107 K	$142 K	$51	$69	$92
Junior Developer (0-4 Years) [5]	$67 K	$95 K	$123 K	$43	$62	$80
Quality Assurance - Applications Testing	$68 K	$94 K	$130 K	$44	$61	$85
Quality Assurance - Team Lead/Manager	$112 K	$140 K	$174 K	$73	$91	$113
Entry-Level Applications - 4-Year Degree	$49 K	$58 K	$84 K	$32	$38	$55
Entry-Level Applications - 2-Year Degree	$39 K	$49 K	$58 K	$25	$32	$38

TRAINING AND DOCUMENTATION

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Technical Writer	$67 K	$81 K	$115 K	$43	$53	$75
Training	$71 K	$90 K	$121 K	$46	$59	$79

INFRASTRUCTURE

Consolidation, standardization, cloud virtualization, storage capacity, and the need for upgrades all drive the demand for talented personnel in the infrastructure space. The biggest game-changer to come about is in cloud computing, which shifted the infrastructure team's focus from hardware support to applications management, delegating most of the responsibilities to the service company. With the emergence of newer technologies, hiring in this space is expected to remain flat due to an individual's ability to effectively support a larger user base. Compensation at the support and administrative levels is expected to remain flat, while architect and engineering levels are expected to increase.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Infrastructure Project Manager [1,2,3,11]	$111 K	$125 K	$174 K	$72	$81	$113
Communications Architect - CCIE [1,2,3]	$122 K	$149 K	$195 K	$79	$97	$127
Systems Network Engineer (10+ Years)	$106 K	$133 K	$168 K	$69	$86	$109
Communications - VoIP	$89 K	$121 K	$152 K	$58	$78	$99
UNIX/Linux Administrator	$73 K	$115 K	$146 K	$47	$75	$95
UNIX/Linux System Engineer [1,2,3]	$94 K	$132 K	$169 K	$61	$85	$110
2nd Level LAN Administrator (7+ Years)	$83 K	$110 K	$143 K	$54	$72	$93
1st Level LAN Administrator (2+ Years)	$65 K	$88 K	$104 K	$42	$57	$68
Entry-Level Infrastructure - 4-Year Degree	$49 K	$54 K	$76 K	$32	$35	$50
Entry-Level Infrastructure - 2-Year Degree	$34 K	$42 K	$52 K	$22	$27	$34

SERVICE DESK / HELP DESK / DESKTOP

The framework of the service desk has shifted over the years due to improved technology and reporting. Through standardization, fewer staff can now effectively support more users. As a result, demand and salaries in this area are expected to remain flat.

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Help Desk - Level III Service Desk (7+ Years)	$91 K	$114 K	$142 K	$59	$74	$92
Help Desk - Level II Support (5-10 Years) [11]	$73 K	$94 K	$111 K	$47	$61	$72
Help Desk - Level I Support (0-10 Years) [11]	$45 K	$64 K	$79 K	$29	$42	$51
Software Support (2+ Years) [11]	$54 K	$80 K	$107 K	$35	$52	$70
Hardware Technician (1-5 Years) [11]	$41 K	$58 K	$86 K	$27	$37	$56

ASSUMPTIONS

Default:

· Rates apply to greater Houston metropolitan area.
· Candidate has 4-year degree unless otherwise noted.
· Contract term is greater than 6 months.
· Outliers are eliminated in compiling the survey.
· A more detailed survey is available for executive compensation at www.jdapsi.com.

Specific:

1. Large company is defined as greater than 100 IT employees.
2. Mid/large company is defined as 50 to 100 IT employees.
3. Mid-size company is defined as 10 to 49 IT employees.
4. Small company is defined as fewer than 10 IT employees.
5. Indicates hot skill – add 10 to 15 percent to salary (i.e.: security, B/I, mobile, engineering).
6. Excludes bonuses.
7. Top IT person.
8. Limited pool of candidates.
9. Team member.
10. Base compensation (Total = base + bonus + benefits).
11. Current contract market rates could be up to 50 percent less.

5 REASONS TO CHOOSE JDA

JDA is Established: You will reap the benefits that come only from time - lots of experience and a great reputation in the industry.

JDA is Reliable: You will have continual, timely access to all JDA staff members.

JDA is Effective: You will be presented with the right professional matches in the least amount of time using our "industry-best" processes and procedures.

JDA is Knowledgeable: You will be provided with the information necessary to make smart staffing and career decisions in this ever-evolving IT employment market.

JDA is Friendly: You will like working with us because we enjoy what we do, and it is reflected in the level of service provided to you.

JDA Professional Services, Inc. is a Houston-based IT staffing firm specializing in the recruitment of strategic-technical to executive-level professionals. We provide staffing solutions through full-time, contract, and project-based placements. Since 1981, we have been helping companies build great IT departments while helping IT professionals find the right career opportunities.

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